

Appendix A to Part 212 – Model Notice to Account Holder

A financial institution may use the following model notice to meet the requirements of §212.7(a). Although use of this model is not required, a financial institution using it properly is deemed to be in compliance with § 212.7(a).

NOTICE OF GARNISHMENT

On [insert date of garnishment order receipt], [insert financial institution name] received an order of garnishment to freeze or remove funds from your account.

If you owe money to a creditor, garnishment is the legal process that allows your creditor to obtain a court order directing your financial institution to freeze or turn over funds in your account to pay the debt you owe the creditor.

However, you have certain protections from garnishment if the funds in your account include Federal benefit payments such as Social Security benefits, Supplemental Security Income benefits, benefits administered by the Department of Veterans Affairs, Railroad retirement benefits, Railroad Unemployment Insurance benefits, Civil Service Retirement System benefits or Federal Employee Retirement System benefits. We are required by Federal regulation to review your account and determine whether any such benefits were directly deposited to your account within 60 calendar days preceding our receipt of the garnishment order. If so, the sum of all such benefits (or your full account balance, if it is less than that amount) cannot be turned over to your creditor or frozen, and you may withdraw or use these funds as you normally would.

If your account contains funds in excess of the sum of the benefits directly deposited during the 60-day period, those funds are subject to the garnishment order and may be frozen or turned over to your creditors.

PROTECTED FUNDS IN YOUR ACCOUNT

We have determined that one or more Federal benefit payments were deposited to your account within 60 calendar days preceding our receipt of the garnishment order. The balance in your account when we conducted our review was \$____. Of this amount, [insert protected amount] is protected under Federal law from garnishment or freezing. You may continue to access these funds as usual.

[ADDITIONAL FUNDS IN YOUR ACCOUNT

Your account also contains additional funds. We have placed a hold on these funds and may turn them over to your creditor as directed by the garnishment order. If you believe that some or all of these additional funds are also Federal benefit payments, you may have additional rights to protect these funds. In addition, you may have rights to protect other funds in your account from garnishment, such as public assistance (welfare), disability benefits, workers' compensation benefits, and pension benefits.

You can make a claim for these rights by (insert, as applicable and required for the jurisdiction, a standard instruction or a reference to the jurisdiction's notice for completing an exemption claim form, process for contacting the court, or process for contacting the judgment creditor).]

CONTACT INFORMATION

The creditor that obtained the garnishment order against your account is [insert name] and may be contacted at [insert phone number].

The court that issued the garnishment order is [insert name] and their general information line is [insert phone number].

You may call us at [insert phone number].